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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

OCT 3 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Implementation of Section 309(j))
of the Communications Act -)
Competitive Bidding)
Narrowband PCS)

PP Docket No. 93-253

and

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Amendment of the Commission's)
Rules to Establish New Narrowband)
Personal Communications Services)

GEN Docket No. 90-314
ET Docket No. 92-100

To: The Commission

REPLY COMMENTS OF PUERTO RICO TELEPHONE COMPANY

Puerto Rico Telephone Company ("PRTC"), by its attorneys and pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, submits these Reply Comments in the above-captioned proceedings.

As PRTC noted in its initial Comments, the Commission should not set aside all of the narrowband personal communications service ("PCS") spectrum blocks proposed in the Further Notice of Proposed Rulemaking.¹ Specifically, PRTC urged the Commission to permit all entities to bid for narrowband PCS block 19 (50 kHz paired with 50 kHz for major trading area ("MTA") service). Restricting bidding on spectrum block 19 will curb effective and

¹ Implementation of Section 309(j) of the Communications Act - Competitive Bidding Narrowband PCS and Amendment of the Commission's Rules to Establish New Narrowband Personal Communication Services, Third Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, FCC 94-219 (rel. Aug. 17, 1994) ("Further NPRM").

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robust local competition with each of the two nationwide narrowband PCS licensees that won multiple 50 kHz/50 kHz licenses. In this regard, PRTC agrees with the many commenters that urged the Commission not to react to the results of the nationwide narrowband auction by setting aside an unusually high number of spectrum blocks.²

PRTC also agrees with PageMart, Inc. and Paging Network, Inc. that the Commission should not limit bidding on certain MTA and basic trading area ("BTA") 12.5 kHz response channels to entities with annual gross revenues of less than \$125 million and total assets of less than \$500 million ("entrepreneurial entities").³ Eligibility for the four MTA and four BTA paging response channels currently is restricted to incumbent paging licensees. As PageNet notes, the incumbent status of a paging licensee that qualifies as entrepreneurial demonstrates that the licensee does not require Commission assistance to participate in the provision of paging services.⁴ Moreover, the Commission indicated in the Further NPRM that "incumbent paging licensees would have the opportunity to bid on 2,176 MTA and BTA response channel licenses reserved for existing paging licensees."⁵ PRTC

². See, e.g., Comments of Airtouch Paging at 9-14; Comments of PageMart, Inc. at 2-6; Comments of Personal Communications Industry Association at 2-7.

³. See Comments of PageMart, Inc. at 12-15; Comments of Paging Network, Inc. ("PageNet") at 3-4.

⁴. See Comments of PageNet at 4.

⁵. Further NPRM at ¶ 84 n. 121.

agrees that the Commission should not restrict those opportunities.

PRTC opposes, however, PageMart's suggestion that the Commission aggregate MTA response channel licenses into larger service areas.⁶ PageMart argues that national or regional paging companies should not have to assemble response channel licenses on an MTA basis.⁷ Rather, PageMart advocates aggregating the current MTA response channel licenses into larger service areas while leaving the BTA response channel licenses for smaller service providers.⁸

In calling for the aggregation of MTA licenses, however, PageMart's plan forces smaller service providers to do precisely that which PageMart does not want to do. If no licenses are available for MTA service, one wishing to serve one or more MTAs will have to assemble response channel licenses for the various BTAs instead. That approach is no more efficient than assembling MTAs for regional service.

Moreover, under PageMart's plan, a local service provider that either does not need to or cannot purchase a license for nationwide or regional service effectively is disqualified from bidding on half of the response channel licenses and is limited to bidding on the four BTA response channel licenses. A national

^{6.} See Comments of PageMart, Inc. at 15-16.

^{7.} Id.

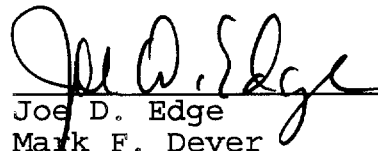
^{8.} Id.

or regional service provider may still bid on all eight response channel licenses, however. PRTC opposes PageMart's suggestion that unduly narrows the class of eligible response channel bidders and urges the Commission to retain all existing response channel license service area designations.

CONCLUSION

For these reasons, PRTC urges the Commission not to set aside narrowband PCS frequency block 19 and not to set aside any paging response channel licenses. Moreover, PRTC urges the Commission to retain the existing service area designations for all paging response channel licenses.

Respectfully submitted,



Joe D. Edge
Mark F. Dever

DRINKER BIDDLE & REATH
901 Fifteenth Street, NW
Suite 900
Washington, D.C. 20005
(202) 842-8800

Attorneys for

PUERTO RICO TELEPHONE COMPANY

October 3, 1994

CERTIFICATE OF SERVICE


I, Ann M. Wilson, hereby certify that on this 3rd day of October, 1994, a copy of the foregoing Reply Comments of Puerto Rico Telephone Company was mailed by first class U.S. mail, postage prepaid, to:

Mark A. Stachiw
Airtouch Paging
Suite 800
12221 Merit Drive
Dallas, Texas 75251

Mark J. Golden
Acting President
Personal Communications
Industry Association
1019 Nineteenth Street
Suite 1100
Washington, D.C. 20036

Judith St. Ledger-Roty
Reed Smith Shaw & McClay
1200 18th Street, NW
Washington, D.C. 20036

Phillip L. Spector
Susan E. Ryan
Jon C. Garcia
Paul, Weiss, Rifkind,
Wharton & Garrison
1615 L Street, NW
Washington, D.C. 20036


Ann M. Wilson